

AGENCY ESTIMATE  
OF THE FISCAL IMPACT OF IMPLEMENTING  
**HB 98 1st Sub 2011 General Session**  
**Capital Outlay Funding Modifications**

**Sponsor:** Representative Christine F. Watkins

**Lead Analyst:** Ben Leishman

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**A. Short Form** (For bills that have no impact on the state, local governments, businesses, or individuals.)

If you can check all five boxes to the right, you're almost done. If the bill obviously doesn't have an impact, you're done.

- |                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | State agencies will not require an appropriation to implement the bill. |
| <input type="checkbox"/>            | There is no fiscal impact on local governments.                         |
| <input type="checkbox"/>            | There is no fiscal impact on businesses.                                |
| <input type="checkbox"/>            | There is no fiscal impact on individuals.                               |
| <input type="checkbox"/>            | The bill will not affect revenues.                                      |

If it isn't so obvious, explain what's going on. The most usual explanation is the codification of existing practices.

If necessary, explain why this bill has no fiscal impact.

Attachments welcome.

**B. What parts of the bill cause fiscal impact?**

Cite specific sections or line numbers.

Lines 36-40.

**C. Which program gets the appropriation?**

Enter 3 letter Appropriation Unit Code.

**For multiple appropriations**

This is  of

**D. Work Notes: Assumptions, calculations & what are we buying?**

Explain the fiscal impact in plain English, detailing your assumptions, methods, & calculations.

List all direct costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what this \$50,000 will buy.

Attachments encouraged.

This bill does two things:

- (1) It increases the uses of the revenue of a capital outlay levy to include not only capital outlay and debt service expenditures, but also for expenditures made within the accounting function classification 2600, Operation and Maintenance of Plant Services, excluding expenditures for mobile phone service and vehicle operation and maintenance. This substitute allows all school districts to utilize these revenues in this manner, not just those school districts with an enrollment of 2,500 or less.
- (2) It eliminates the use of the proceeds of 0.000200 per dollar of taxable value of a capital outlay levy for the maintenance of school facilities in the school district.

## E. REVENUES

Select Fund

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Current Budget Year  
FY 2011

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Coming Budget Year  
FY 2012

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Future Budget Year  
FY 2013

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**Total** 0

**Total** 0

**Total** 0

## F. COSTS by FUND

Select Fund

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Current Budget Year  
FY 2011

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Coming Budget Year  
FY 2012

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Future Budget Year  
FY 2013

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**Total** 0

**Total** 0

**Total** 0

## G. COSTS by EXPENDITURE CATEGORY.

Expenses by Category

Personal Services  
Travel  
Current Expense  
DP Current Expense  
DP Capital Outlay  
Capital Outlay  
Other/Pass Thru

Current Budget Year  
FY 2011

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Coming Budget Year  
FY 2012

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Future Budget Year  
FY 2013

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**Total** 0

**Total** 0

**Total** 0

## H. Non-State Impacts

Your estimate of how will the bill affect:

Local Governments

Businesses

Individuals

These changes wouldn't directly have an impact on funding, but the changes could encourage school districts to increase their capital outlay levy without the approval of the public (the Truth In Taxation process) to use the funds. In addition, with the increase in the capital outlay levy rate, school districts could see an increase in the state Capital Outlay Foundation Growth funds which are partially based on a district's total combined capital outlay levy rates.

If a school district raises the capital outlay levy, businesses would see an increase in their property taxes.

If a school district raises the capital outlay levy, individuals would see an increase in their property taxes.

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This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

Attachments welcome.